

All Time Highs All the Time

[00:00:00] and we are live. How are you doing friends? Ernie here with another 0-dte.com podcast. This is episode number 17. Can you imagine that 17 episodes? And have you signed up yet? You can do that right below right now, today. We're going to talk about all-time highs. All-time highs all the time. Yeah. That is, it's almost how would you say it?

[00:00:30] It's not an anachronism, it's not oxymoronic. It's a, what is that? How can you have all-time highs all the time, cheapens each individual all-time high. If you believe that the next day is going to be an all-time high, what it does for the market. Is interesting for those people who are in the market for the long-term.

[00:00:53] They have mutual funds. I have a bunch of mutual funds and they're doing fantastic. Those things just keep on going up. It's just buy [00:01:00] and hold until they stop going up. And then of course they don't do so well, but you choose a good five-star fund and you're all set. In the market trading is a different story.

[00:01:14] Cause when you're going up consistently like that, what happens is the range in the day gets smaller and smaller and with a very small range. And what I mean by range is the opening price to the closing price and then the high and the low that would be the total range is the high of the day versus the low of the day.

[00:01:37] That range keeps on shrinking and shrinking and shrinking. And even though the closing price is going up like this, it makes it very difficult to figure out well, when do I want to get in? You never know when you're going to get a dip. Now, one strategy you could use is to buy the dip.

[00:01:58] You've heard that before, buy the dip, [00:02:00] buy. Buy the dip. And that's really in this type of environment is really the right thing to do as an options trader though, it presents a completely different set of challenges. And that is because, unless you are long options, which most pro-option traders are not, they are not long.

[00:02:24] They are short options. That doesn't necessarily mean you're betting that it's going to go down. What it means is that, that you you tend to sell premium as opposed to buy it right. Or be a slave to it. When you sell options, you are a net seller of premium. In other words, you are collecting the premium that is decaying on each options contract, and it's working with you as time progressed.

[00:02:51] When you're long options that premium, and particularly in this case, because the future [00:03:00] expectation is that the market will go up. Options are priced accordingly. So, there's a lot of premium. In other words, options are very expensive to go up all because the market knows you, you can expect it to go up.

[00:03:13] So why should the odds be in your favor then? Not. So you have to pay a premium for that very high expectation that you're going to gain in that day. The interesting thing is that sometimes the premium gets so much into case so fast that even if you do go up, you can actually end up losing money. And that's that is the conundrum of long options.

[00:03:39] And it's one of the reasons why most pro traders. Do not buy or go long on options. They want to be the insurance company. They want to sell options. Now market's going through all-time highs have those two consequences. The premium is very [00:04:00] expensive and there's no range. There's no place, no little tick down where you can get in or find a place to get in.

[00:04:05] So you're always wondering, should I just jump in here? Should I just jump on the bandwagon? And that doesn't often work out, the odds are with any kind of pullback. And so now you're tasked with waiting for that, wonderful pullback, that place where you can get in and jump in. You're a cowboy running along the train and you're riding along the train and you're waiting for that open box car. None of them are really open way up there up ahead.

[00:04:37] Six cars up. Can I make it up there now? Why would you be jumping onto a box train? I don't know. But maybe you get the idea jumping onto a speeding train, just like jumping onto a speeding stock or market is filled with peril. You never know when [00:05:00] you're going to get a disruption or there's going to be a pullback, right when you jump on or a major reversal could happen at any time, you don't know. So that's why it's always safer to wait for that pull back and wait for there to appear, to be some place where there's support and see that's the other problem support. Where is support when you've running up at all-time highs.

[00:05:25] There's no historical record to show any kind of place where the market has hung out for a while and established value. The market is seeking value when it's going up like that. And it's going like a bat out of hell, trying to seek that value. And for whatever reason, it can't find it. It just keeps on moving up.

[00:05:44] And so it occasionally might stop a slowdown and create a little bit of a little bit of a ledge of a volume. And maybe that's another place where you can consolidate a little bit and then make another run. [00:06:00] But it's not enough. If there is some kind of bad news to support the market, if it decides to come down, when you have that run-up and very few value levels established, and you can tell value in the market profile very easily, there are nodes that protrude out where.

[00:06:19] Where the price has stopped a little bit, but when you're going up, there's none of that. It's just thin air going all the way up. If there's thin air going up, there is also thin air going down. And as we know, it's like taking the stairs up and taking the elevator down in most markets and that's another analogy that is so true because there is so little footholds that are created on the way up.

[00:06:43] There's nothing to hold you in case there's any kind of little, any kind of little malady, anything, it could be an economic report. It could be the fed governors saying, or saying something stupid, which happens almost every day. Anything can happen. That's why, all-time highs are so [00:07:00] perilous and from a zero DTE perspective.

[00:07:04] We're in a kind of, yeah. Unique situation because we're option sellers and time is on our side. We have the advantage of premium decaying at its most rapid pace on that last

day expiration. So that is a huge advantage for us as traders, not only in markets that are very thin with very little volatility.

[00:07:30] Although the premium that we want to collect is naturally less during this time. It's slightly elevated right now because of a recent dip. So that's a good thing, but it's thinning out very quickly and making it very difficult. However, we still have time on our side and that's a huge advantage.

[00:07:48] And we had that advantage today where we put on a trade where we let's see, what did we gain? I would say on average, most people get out at about 200 to 400%.

[00:08:00] You say what Ernie? You made 200 to 400% on the risk that you put up? Yes. And that was a slow day. Earlier in this week we had an 1100% winner.

[00:08:12] Last week. We had a 1500% winner the week before that, the week before that, the week before that we had all these huge winners and then interspersed inside there, we had some smaller winners like, 75% here, 150% here, 200% there now, If this were some other service or some other trader and heard that, Hey, I was making 75% here, 150%, 200% there.

[00:08:36] They would think that I was crazy. That there's nobody that makes that kind of return with those are our least profitable days here at the 0-dte.com podcast. Now not the podcast, the service, if you want to join, there's a trial membership down below, by the way. That's what we experienced during the off days.

[00:09:00] [00:09:00] And we lose about 15 to 20% of the time during periods of low volatility. I would say that we are losing probably closer to 30% of the time, maybe 35, 40% sometimes. And that is a consequence of this really low, small range and trying to find places where we can place trades that make sense.

[00:09:24] Now, of course, like I said before, we have time on our side and that helps being in an environment where we're hitting all-time highs all the time makes it difficult because you don't really know where to place your short strikes that you're trying to collect premium from.

[00:09:40] And it's not a guessing game, but I would have to say it's more art than science. I like to call it a SWAG, a scientific wild ass guess. But we do that on a regular basis, we guess on a regular basis, we're averaging about 200% return on our risk. [00:10:00] So yeah, you could call it guessing or luck, but we do a consistently week in week out.

[00:10:05] And when we have elevated volatility, we do much better. That's what it's like here, trading inside of our trade room, the ODTE trade room. It's 0-dte.com. Go there four-week trial, a four-week trial. Sure. You pay for each one of those weeks, but if you are completely. Or even if you decide to join earlier, but, and then join, I will refund you the entire cost of that trial.

[00:10:40] So the worst thing that happens is that you make some. Most people make enough money during the trial, whether we have a slow week or a good week to pay for a year's worth of the service. So, it's a no brainer. And look, if we're in a very low volatility

time, like now, and trades are a little, fewer and farther [00:11:00] between, I'll allow you to go to five or six weeks.

[00:11:02] I've done that for a couple of people. And they just want to get a feel for what it's like. I guess, winning 1100% a week, isn't good enough for them. So, they need to add on another couple of weeks or what is more likely the problem they get into our service and they are mired or steeped in the old way of doing things.

[00:11:23] The old way of trading, the old mentality, they are. So fearful of missing out or fearful of the risk. That's involved that anytime they get a little bit of profit, they immediately want to grab it and see and hold onto it and say, okay, I've got some profit. And then they watch everybody else stay in the trade, coolest cucumbers and pass them with, 200, 400, 500, a thousand percent return.

[00:11:47] And then it takes them a few weeks to start getting the message. In this service, I don't have to be fearful of missing out. I don't have to be ridden with anxiety. The risk is so [00:12:00] small because we'd taking asymmetric trades. In other words, very small risk to huge potential return that even if I lose, it said it's a meh!

[00:12:12] It's nothing. I'll just wait for the next opportunity. In fact, it's so nothing. I could lose 5, 6, 10 times in a row and it's still. Because that when a good opportunity comes around and whammo, it makes your week, it makes you a month. It would've made the year. And a lot of other trading strategies. And for us, it's just, another week.

[00:12:35] And so it takes a little while to readjust or to change the attitude, give them an attitude adjustment. They have to shed all the crap that they've learned over the years in trading. All the crap that they've been taught about technical analysis and Fibonacci and Elliott wave and [00:13:00] indicators and moving averages and overbought oversold, all of that crap.

[00:13:05] And that's exactly what it is. Absolute crap designed for one thing only. And that is put you in servitude to the broker. That is what you're here for. As a trader didn't, that you are the servant of the broker, you were there to create transactions for them, pure and simple, all the training that you've ever taken, all the books that you've ever read, all the gurus that you've ever seen have all been sponsored and initially put up by the brokers.

[00:13:35] And do you really think. That they're giving you all of this education to make you a better trader. Do you think that benefits them, that you are very profitable hold onto positions for a long time? Don't do a lot of transactions in our profit. You think that's what they're trying to make you do?

[00:13:52] No, it's exactly the opposite. The broker is trying to get you to do one thing and that's do a lot of trades. [00:14:00] A lot of, they don't care if you win or lose. Open account. No problem. Cause they know that you'll be back because you're a little bitch and you'll be back thinking that, oh, I just didn't have my psychology.

[00:14:12] Or I didn't use this indicator or that strategy. And they'll throw more at you and you'll come begging like a dog thinking that you're going to win this time. I'm not going to

blow up this account because I learned my lesson last time. Every once in a while, you'll get on a little streak. And then you think that you've got everything under control and then you lose it all again, you think, and if I could just keep it together through those rough times, then I wouldn't keep on giving away all my money, but it happens over and over and over and over and over again.

[00:14:49] You know it, I know it. I know that 98% of you are losers. You won't admit it, but you are [00:15:00] sure you'll win for a little while. And then you never remember all the while you remember all the losses, but you dare speak of those losses, but you'll pony up those winners all the time and show how magnificent a trader you are.

[00:15:12] So we know you come to our room and all of that changes, all of that changes you and no longer a loser, you know your edge. You have Supreme confidence, you trade with zero anxiety, zero, no FOMO, no fear. Just waiting for your opportunity. Doing the hard work that we teach here, putting on the trade and we don't manage our risk. We manage our winners.

[00:15:47] That's what we do. We spend a 70 to 80% of our time managing our winners. When I know for a fact in your previous trading experience, you're spending all of that [00:16:00] time, managing your risk, your losers, biting your nails, sweating it out, hoping that price is going to go your way.

[00:16:08] We never do that. And if it does happen, we're like, eh, man, onto the next. Cause it the risk again, asymmetric opportunities.

[00:16:19] All right, let's see here. We have some comments, the shovel Ernie. You are the wartime concierge. Yes. Honestly, October has been a rough month for me historically, and it's a rough month for most people, actually, September. Statistically across all traders is generally the worst month. September, October is usually the month that everybody turns around.

[00:16:47] So I'm not sure exactly what's going on with you shovel, but I'm pretty sure that this October is going to be different for you.

[00:16:53] Paul says I like the analogy of hot woman waiting in town at the end of the desert. Best. [00:17:00] What he's referring to is how I describe using volume profile that it's like driving across a desert when you're in the well, or the lack of volume on a volume profile chart heading towards the node, because that's where all that's where Nevada is.

[00:17:14] That's where the hot chicks are. That's where you're going. That's what you're gravitated towards. So yeah, he likes that. I like that analogy too. All right. So, this has held for review, I guess I have to click show.

[00:17:26] So take the course and back test for seven fricking years until you find the system that suits your personality, such bullshit. Exactly. Forget the back testing. Most people that are doing back testing are doing it wrong. Anyways, they backed test and they curve fit. In other words, they back test and then change all the parameters of their strategy to meet or give an optimal result of what happened in the past.

[00:17:54] Now that is absolutely no predictor of what's going to happen in the future. This is the way most people do back [00:18:00] tests. Even the people that do forward walking are essentially doing the same thing. They cannot predict the future, and they're not using any indicators that give them a glean into the future.

[00:18:11] They don't understand the future. They don't have an edge. They think they have an edge because their automated system or their strategy eked out of a 5% return. But they don't. And then when they put their strategy to the test, they might win for a few weeks, then they lose and then they wonder what's going on.

[00:18:29] They tweak it a little bit, which is a no-no. You really want to run with a strategy for a while before you really gain an understanding of it, but it's hard to run with a strategy when you're fricking losing all the time.

[00:18:40] Yeah. That's the problem. Alan says for us older folks, this service is like Ronco Showtime rotisserie. Just set it and forget it. That's right. That's pretty much it. Kevin says thank you. Ernie, you made more money. Oh, I see. I made more money with your [00:19:00] strategy than anything I've ever done in the past.

[00:19:02] And everybody's finding that no soul is left behind in this room. Now the only people that are having problems are those people that joined the service early, and then don't understand what the hell is going on and try to second guess everything that we're doing until they're there for a few weeks.

[00:19:18] And they start realizing that whatever they were doing before was total bullshit. That they were totally in the clouds. They had no idea what the hell was going on, that they just needed to give themselves up to the strategy, embrace it, and then run with it and start making money and start managing profits instead of managing risk

[00:19:40] Period. End of story

[00:19:42] happens with everybody that goes through the service, goes through the trial. Eventually you'll see that too. So, I suggest go down below. It's 0-dte.com/try. And as I said, it's really a [00:20:00] no obligation. There is some obligation I charged for those four weeks in case you decide not to stick with the course for whatever reason because I invest a lot in you when you're here.

[00:20:13] And that's really the difference between what we do and what virtually every other alert service I'm doing air quotes here for those listening to the podcast, ear quotes alert service. This is not an alert service. Although I do issue alerts, the alerts are a demonstration of the methodology and the strategy.

[00:20:35] This service is all about me, Coach Ernie. Coaching you and mentoring you in the strategy and the methodology and the process that we use to make money. The alerts are a demonstration of that methodology in that process and strategy. It just so happens that the alerts are better than any alert out there on any service bar, none [00:21:00] period. End of story.

[00:21:01] There is no equal anywhere. Our performance is better on a consistent basis than any other service out there. I don't know how else to say it. It's just the truth.

[00:21:13] All right. Let's see. What can we talk about today? All-time highs, all-time highs are one of those conundrums for some traders, because there are a lot of traders out there that consider themselves contrarians and they always want to fade the move. Especially really large moves. They have to fade it because nothing I can keep on going up like that.

[00:21:34] Yet this market keeps on going up. It doesn't want to stop all time, high, new, all time high every day. Can't stop it yet. They want to fade it. And ultimately, they're going to lose because it keeps on going up. Sure. Every once in a while, it might pull back and then they consider themselves geniuses because they only, they called that pullback.

[00:21:54] But then it's short-lived and then they lose it all anyways. And it keeps on going up. [00:22:00] But the interesting thing about all-time highs that most people don't realize. If you look back at historical averages, after our stock has hit an all-time high. It is far more likely to be higher the next day, then not right.

[00:22:20] That would sound like some sort of perpetual machine. But it is the truth more often than not, you'll hit a new high and continue up after you've hit that new height. So it is. In your interest to be long during all-time highs, it is not in your interest to fade them. And particularly in the environment that we're in right now, because we have a compliant fed who is doing everything that they can to prop up this market and inflate it and they'll continue inflating it and they'll keep on inflating it, and they'll even deny that they are inflating it.

[00:22:58] In other words, that there is inflation. [00:23:00] Irrespective of all the reports that are coming out. Now, there was a report that came out this morning, the PPI, and it did show a glimmer of hope that perhaps inflation is stemming a little bit, but it was really the first in a long series of PPIs. That was a little lower than before.

[00:23:20] And maybe there is some hope there. Maybe we are turning a corner and maybe we are in a perpetual, deflationary environment and the fed by propping it up are trying to basically balance that deflation off. I don't know. I'm not an economist and neither do I want to be one because they are dumb asses too.

[00:23:39] P-cell says another greater than a hundred percent gain today. Thanks Ernie. You're welcome.

[00:23:44] It just brings a tear to my eye, but only a hundred percent, man. Oh, he says greater than a hundred percent. I think most people made two, 300% today. And it was a thin day. I did put [00:24:00] out now, I don't like to say this, and I don't like to take credit for it. I put out a trade last night. It was.

[00:24:08] It was a long call, vertical like a call vertical long call, vertical bullish call vertical. And I can show you exactly where I put it on here. So, for those who were on the podcast, you can't see this, however, maybe I'll put the image down in the show notes. But it was at around 10 30 last night.

[00:24:32] That we went long at about 4370. I told them that I had really no idea what was going to happen. And I felt very strongly that there was a good chance we were going to go up. So, let's put this trade on. I didn't do an alert, and I know that's wonky a little. I don't know friend of mine called it.

[00:24:51] He was calling me a pussy quite frankly, for not standing up and just putting out that trade. And I have to agree to him that, I probably should have put out as an alert, but I, I did all the [00:25:00] analysis, what little there was and said that this is what I'm doing, and I did it and I know that other people did it as well.

[00:25:05] And so we went long and then came up this morning. Woke up around six, started to look at the market. It was way up, and that trade was, it was profitable. So, at that point there was a little bit of a pullback. I said, we're getting a little bit more volatility here. We're developing a little bit of a node.

[00:25:25] We're still in a bullish way. We went through the globe X market moving up. I think that we're going higher. Yeah. 4,400 is just a hop, skip, and a jump away. I know going into a Friday without any economic reports that the market definitely wants to achieve that milestone. So I decided to put a butterfly with a it's strikes centered on 4,400 and a well

[00:25:50] we are consolidating right now, right on 4,400. And so, if you were still in this trade, you would be probably somewhere close to about a 600, [00:26:00] 700% return. I'm sure that there are some members that are still in the trade. I had advised most of the members to get out about an hour ago only because, when you start getting up here and you were at all-time highs, you can run real quick.

[00:26:12] It could run so quick either to the upside or to the downside that it could wipe out. All of your profits and bring you into a max loss, which isn't that bad. It's not a huge max loss. And plus we have the trade from earlier that evening, but I just thought it was a better idea to get out. So most people get out with a two, 300% return and that's not bad.

[00:26:33] Can't argue with that. But yeah, we are right there at 4,400 and that's exactly where the butterfly short strikes. So, we're right now at the maximum possible profit, at least at this time for that butterfly now, because it's primarily a premium collection strategy every minute that we're in it. And we're at 4,400, it's making more money.

[00:26:59] So [00:27:00] Jacob is asking, Hey, are any, I'm looking to try your service in the near future? Which broker would you recommend? I'm with QuestTrade. But they don't offer much market data, especially for options. Then do TD Ameritrade with their thinker swim platform or do tasty trade with their tasty works platform.

[00:27:19] Actually you just go to tasty works.com. So, either of those two, I could recommend very highly, there are a lot of other great brokers out there. But I think that probably the best thinker swim is largely considered the de facto stand. Hey, I got to bring the big head on here right now because we're not talking a, the market anymore.

[00:27:36] There's the big head. I like to think of swim the best. I think I like its analytical tools. The other thing is that when I do an alert, I copy the trade script from Thinkorswim

and I put it into the discord. And so if you have Think or Swim, You can just copy it and paste it right into your platform and then bring up the analytical model of the trade right away or the trade itself.

[00:28:00] [00:27:59] So that's one reason to do it. Of course, the script you can read very easily, what the trade is, and then just transcribe that into your platform. But I like think or swim. I like its analytical tools. I like tasty works. It's much more graphical. And it is very cool how you can adjust your strikes just by dragging and dropping them.

[00:28:19] I really like that. So, for a new trader, it gives you all the information right there on one screen. It's a lot easier to manage. I think it's all for any trader, whether you're new or not. So, I like both of those platforms think, or swim will require that you have at least \$2,000 in your account, open up a futures.

[00:28:40] And we are trading the E-mini S&P futures. We're not trading the SPX because the SPX sucks as does the SPY, when it comes to zero DTE. I know that there are a lot of other services out there that focus on the SPX because they're dumb asses. And they don't know any better. And they're also doing these really high [00:29:00] probability trades with huge risk and yes, they are asymmetric, but in the opposite direction of us, where they take on humongous risk for tiny little profits and so that they are in complete anxiety, ridden chaos for their entire time in the market.

[00:29:15] And on top of that, they're trading an inferior asset. So we only trade the futures because we have 23 hour markets. And we have volume, and we can analyze things with volume profile, which is key SPX. This ha has no volume and only trades in the cash market. It's a piece of crap why you're trading that way only exemplifies your idiocracy. Yeah. I struggled to get that one out.

[00:29:43] Let's see. Michael's asking, which broker do you use for options or futures Ernie? I use Thinkorswim or TD Ameritrade, and I also use Fidelity, that's bigger account and TD Ameritrade is a smaller account that I'm using for the for the [00:30:00] service.

[00:30:00] Both of them are very good. The options tools on Fidelity, they're not the greatest. I'm not like enamored with a, Fidelity's a trading platform, the active trader pro and it's okay. It's pretty good for putting on short puts or naked puts. So, I do trade a lot of naked puts.

[00:30:23] And in fact, when you join the service, you should know. A naked put service as well. Along with the ODTE service, it's a, a a side hustle for the ODTE strategy, but it's there in that way. You can join that, learn how to make consistent profits, small little incremental profits along the way, and then come into ODTE and freaking kill it on a weekly basis.

[00:30:51] And so that's basically what.

[00:30:53] Yeah. All right. Are there any other questions if there aren't any other questions I am going to say, I hope you all have a [00:31:00] great weekend. This has been fantastically fun. A great week for trading last week was great too. The week before that was great. The

week before that was great. The week before that was unfreaking believable before the volatility crashed.

[00:31:15] During the volatility crash, we had our ups and downs, but we still made a lot of money. That's what it comes down to. I guess that's the bottom line. So thank you very much for joining me. I really appreciate it

[00:31:27] Again. If you want to join this service, go down below when you get there and you get to that product page, there's a video there.

[00:31:37] Watch that video, I go through the entire process. The methodology, the strategy is a presentation on there. It's a little bit long it's, 30 plus minutes, but it'll be worth it before you take that jump into the service. I think that you'll learn a lot there and you'll gain a really good understanding of what we do.

[00:31:53] So that might help you in any event. Thank you very much. It's [00:32:00] time to go. And now I need to look for that frigging off button. Where's that? Why do I always have problems finding the off button? Oh, there it is. Cool. All right. Peace. Be with you. Have a fantastic weekend. I know I will.